

BROOKLYN, NY – House Committee on Oversight and Government Reform Ranking Member Darrell Issa (R-CA) today, at an Oversight and Government Reform Committee field hearing in Brooklyn, New York, again questioned the divide between President Barack Obama's promises on tracking stimulus dollars and the actions of his Administration.

"I have been disturbed by the guidance that the Administration is giving to federal agencies, which tells them they only have to follow the money they dole out as far as the state and municipal level," said Issa in his opening statement. "After that, the money trail runs cold. Under the Administration's guidance so far, there will be ZERO accountability for any contractors, lobbyists or special interests that get taxpayer money."

Guidance from the Office of Management and Budget (OMB) is inconsistent with the President's commitment to the American people to account for every dollar of the stimulus. According to the OMB:

Reporting requirements only apply to the prime non-Federal recipients of Federal funding, and the subawards (i.e., subgrants, subcontracts, etc.) made by these prime recipients. They do not require each subsequent subrecipient to also report. For instance, a grant could be given from the Federal government to State A, which then gives a subgrant to City B (within State A), which hires a contractor to construct a bridge, which then hires a subcontractor to supply the concrete. In this case, State A is the prime recipient, and would be required to report the subgrant to City B. However, City B does not have any specific reporting obligations, nor does the contractor or subcontractor for the purposes of reporting for the Recovery.gov website.

While revised guidance issued on April 3, 2009, by the Administration has made some progress in requiring disclosure of contractor data from recipients of direct federal funding, the Administration remains unwilling to require disclosure of contractor and subcontractor data when stimulus money is funneled through states and localities. When stimulus funds "go from a Federal agency to a State, and then to a local government or other local organization," the government will "not track funds to subsequent recipients beyond these local governments or other organizations," according to the revised guidelines.

"This failure to track stimulus spending where it will actually occur harms the oversight efforts of Congress, the Administration, and the American people," said Issa.

[Click here for more information about the Brooklyn Field Hearing](#) .